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09/653,102	08/31/2000	Mark A. Nordlicht	3024/FLK	4063

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EXAMINER

AKERS, GEOFFREY R

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 02/13/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application <u>09/653102</u>	Applicant(s) <u>Nordlicht</u>	
	Examiner <u>Aher, g</u>	Art Unit <u>3624</u>	Confirmation No. <u></u>

- The MAILING DATE of this communication appears on the cover sheet beneath the correspondence address -

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, such period shall, by default, expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- ☒ Responsive to communication(s) filed on 1/21/03
- ☐ This action is FINAL. ☐ This action is non-final.
- ☐ Since this application is in condition for allowance except for the formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- ☒ Claim(s) 1-34 is/are pending in this application.
- Of the above claim(s) _____ is/are withdrawn from consideration.
- ☐ Claim(s) _____ is/are allowed.
- ☒ Claim(s) 1-34 is/are rejected.
- ☐ Claim(s) _____ is/are objected to.
- ☐ Claim(s) _____ are subject to restriction or election requirement.

Application Papers

- ☐ The proposed drawing correction, filed on _____ is ☐ approved or ☐ disapproved by the Examiner. If approved, corrected drawings are required in reply to this Office action.
- ☐ The drawing(s) filed on _____ is/are ☐ accepted or ☐ objected to by the Examiner. Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- ☐ The specification is objected to by the Examiner.
- ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119 (a)-(d) or (f).
- ☐ All ☐ Some* ☐ None of the:
- ☐ Certified copies of the priority documents have been received.
- ☐ Certified copies of the priority documents have been received in Application No. _____.
- ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).
- *Certified copies not received: _____
- ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- ☐ The translation of the foreign language provisional application has been received.
- ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- ☐ Information Disclosure Statement(s), PTO-1449, Paper No(s) _____
- ☐ Notice of References Cited, PTO-892
- ☐ Notice of Draftsperson's Patent Drawing Review, PTO-948
- ☐ Interview Summary, PTO-413
- ☐ Notice of Informal Patent Application, PTO-152
- ☐ Other _____

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DETAILED ACTION

Response to Amendment

1. This action is issued in response to applicant's Amendment A(Paper #9) filed timely on 1/21/03 to avoid abandonment.
2. Applicant amended claim 7. New claims 29-34 were added. No claims were deleted.
3. Claims 1-34 are pending.

Claim Rejections - 35 USC § 103

- 4.. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-28 are rejected as unpatentable over Shepherd(US Pat. No: 6,134,536) in view of Buist(US Pat. No:6,408,282).
6. As per claims 1,17 Shepherd teaches a system for real time trading of options contracts between a plurality of human traders over a network(Abstract) where the system comprises a network(Fig 1) and a server connected to the network(col 6 line 61-col 7 line 67) and two or more trader clients operably connected to the computer network so that each trader can be placed in communication with the market server(Fig 9)(Fig 10)(Fig 11)(Fig 15)(Fig 18)(Figs 20-22). Shepherd does not specifically teach where each of the traders perform entry and transmission of

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commands in real time to the market server and display of substantially realtime updates from the server. Buist teaches this(Fig 3/334)(Fig 4/455/480/465/460/475)(col 6 lines 25-47) and wherein the trader client commands including trade orders wherein said market server distributes the trade orders and executions of same to the traders clients is in real time(col 6 lines 31-36).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

7.As per claim 2, 18 Shepherd teaches according to claims 1,17 respectively. Shepherd does not specifically teach wherein the market server processes, matches and executes orders in real time. Buist teaches this(Fig 3/334)(Fig 4)(col 13 lines 15-20).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

8.As per claim 3 Shepherd teaches the invention accordingto claim 2 wherein the market server matches trade orders where each party to a trade is identified by the other party as an accepted counterparty(Fig 1/14/15)(col 4 lines 38-49)(Fig 51B)(Fig 51A).

9. As per claim 4 Shepherd teaches the invention according to claim 2 wherein the market server screens trades based on credit available to the trader(col 12 lines 28-46)(Fig 53A)(Fig 53B).

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10. As per claim 5 Shepherd teaches the invention according to claim 1 wherein the market server screens trades based on credit available to the trader(col 12 lines 28-46)(Fig 53A)(Fig 53B).

11. As per claim 6 Shepherd teaches the invention according to claim 1 wherein each of the clients provides information to the trader regarding a desired underlying commodities market as received from the market server(Fig 61A)(Fig 62A).

12.(AMENDED) As per claim 7 Shepherd teaches the invention according to claim 6. Shepherd does not specifically teach wherein each of the trade clients displays the underlying commodities information in a working order and filled order window. Buist teaches this(Fig 42)(Fig 48A)(Fig 48B).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

13. As per claim 8 Shepherd teaches the invention according to claim 7. Shepherd does not specifically teach wherein said underlying commodities information is available to the trader in summary and detailed form.Buist teaches this(Fig 43A)(Fig 43b)(Fig 5).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

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14. As per claims 9, 21 Shepherd teaches according to claims 1, 20 respectively. Shepherd does not teach specifically where each of the clients facilitates entry of said commands by providing a graphical user interface. Buist teaches this(Fig 7)(Fig 8)(Fig 9)(Fig 10)(Fig 11)(Fig 12)(Fig 13)(col 11 lines 15-28)(Fig 5).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

15. As per claims 10,22 Shepherd teaches the invention according to claims 9,21 respectively wherein each of the clients facilitates entry of the commands by providing a simplified order entry language(Fig 5A/510)(Fig 7)(Fig 11/1125/1150/1165/1140/1130).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

16. As per claims 11,22 Shepherd teaches the invention according to claims 1,21 respectively wherein each of the clients facilitates entry of the commands by providing a simplified and quick order entry language(Fig 5A/510)(Fig 7)(Fig 11/1125/1150/1165/1140/1130).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

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17. As per claim 12,24 Shepherd teaches the invention according to claim 11,22 respectively. Shepherd does not necessarily teach wherein the order entry language further contains symbols representing multiple trade orders. Buist teaches this(Fig 6/652)(Fig 7/740)(Fig 13/1325)(Fig 16A).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

18. As per claims 13,25 Shepherd teaches the invention according to claims 12,17 respectively. Shepherd does not necessarily teach wherein each of the trader clients facilitates entering a supplementary trade command to diminish the risk of prior trade command. Buist teaches this(Fig 5A/limit/stop)(Fig 11/1140/1145/1155/1160)(Fig 56). It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

19. As per claims 14,26 Shepherd teaches according to claims 1,17 respectively wherein displaying updated information which includes negative bid pricing values only if followed by opposite offers(Fig 54B)(Fig 54A)(Fig 55B).

20. As per claims 15,27 Shepherd teaches the method according to claims 14,26 respectively where the negative bid pricing values are displayed in terms of the lowest strike value(Fig 82B)(Fig 82A)(fig 72A)(Fig 71A)(Fig 67A).

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21. As per claims 16,28 Shepherd teaches the invention according to claims 1,17 respectively wherein once an information of negative bid pricing is presented the presented values are not updated automatically(col 22 lines 30-col 24 line 7)(Fig 17).

22. As per claim 19 Shepherd teaches the invention according to claim 17 wherein acting on the commands submitted from multiple clients at the server includes validating commands prior to acting further on the command(Fig 1/14/15)(col 4 lines 38-49)(Fig 51B)(Fig 51A).

23. As per claim 20 Shepherd teaches according to claim 17. Shepherd does not necessarily teach submitting commands is facilitated by multiple command entry methods. Buist teaches this(Fig 5A/510)(col 11 line 15-col 12 line 7). It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

24. As per claim 23 Shepherd teaches the method according to claim 17. Shepherd does not specifically teach displaying in real time of the information from the server including parsing the information into multiple windows depending on the status of the order. Buist teaches this(Fig 43A)(Fig 43B)(Figs 44-48). It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60).

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25. New claims 29-34 are rejected under 35 USC 103(a) as unpatentable over Shepherd(US Pat. No: 6,134,536) in view of Buist(US Pat. No: 6,408,282) and further in view of Glasserman(US Pat. No: 6,381,586).

26. (NEW)As per claims 29 and 31, 32 and 34 Shepherd teaches the invention according to claims 1,17 respectively. Shepherd does not specifically teach wherein said trader client commands at least one multi-leg contract. Glasserman teaches this(col 7 lines 34-54)(Fig 7).It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60). It would also have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist and further in view of Glasserman to teach the above. The motivation to combine is to teach a computer implemented method of pricing derivative securities as enunciated by Glasserman(col 1 line 66-col 2 line 3).

27(NEW) As per claims 30,33 Shepherd teaches according to claims 29,32 respectively. Shepherd does not specifically teach that the predefined multileg contract is selected from a straddle or a spread. Glasserman teaches that bond options, caplets and caps can be priced(col 3 line 67-col 4 line 3) from which straddles and spreads can be constructed. It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist to teach the above. The motivation to combine is to teach a an efficient Internet based trading system which provides human interaction as enunciated by Buist(col 2 lines 57-60). It would also

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have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Buist and further in view of Glasserman to teach the above. The motivation to combine is to teach a computer implemented method of pricing derivative securities as enunciated by Glasserman(col 1 line 66-col 2 line 3).

Response to Arguments

28. Applicant's arguments with respect to claims 1-34 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

29. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

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30. Any questions concerning this communication should be addressed to the examiner of record, Dr. Geoffrey Akers, P.E., who can be reached between 6:30 AM and 5:00 PM Monday through Friday at 703-306-5844. If attempts to contact the examiner are unsuccessful, the examiner's superior, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703)-308-3687. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703)-308-1113.

GRA

February 13, 2003

